

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  AQUILA INC., d/b/a AQUILA NETWORKS, f/k/a PEOPLES NATURAL GAS COMPANY, DIVISION OF UTILICORP UNITED INC.	DOCKET NO. 199 IAC 33.5 (INU-94-2)
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**ORDER ACCEPTING COST ALLOCATION MANUAL UPDATE**

(Issued March 14, 2003)

On December 31, 2002, Aquila, Inc., d/b/a Aquila Networks, f/k/a Peoples Natural Gas Company, Division of UtiliCorp United Inc. (Aquila), filed an updated 2003 cost allocation manual to comply with the requirements of 199 IAC 33.5(476). Rule 199 IAC 33.5 requires that Aquila file an updated manual annually or when a new nonutility business is added, an existing nonutility business is dropped, an affiliate relationship changes, operations affecting nonutility businesses change sufficiently to warrant a new allocation method, or accounting practices change.

The updated manual is in the same format as prior manuals and addresses the information required by 199 IAC 33.5(1)"a" through "j." The manual is updated to reflect changes in Aquila's department structure and specific cost allocation methodologies. The manual has also been updated to identify the assignment of the current cost drivers.

Interested parties have 60 days from the date of filing to object to the manual updates. No objections have been filed. The Board finds the manual, as updated, is generally acceptable and in compliance with Board's rules and the Board will not schedule an oral presentation pursuant to 199 IAC 33.5(2)"d."

**IT IS THEREFORE ORDERED:**

The cost allocation manual filed by Aquila, Inc., d/b/a Aquila Networks, f/k/a Peoples Natural Gas Company, Division of UtiliCorp United Inc., on December 31, 2002, is accepted.

**UTILITIES BOARD**

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 14<sup>th</sup> day of March, 2003.